

[| NODIS Library](#) | [Financial Management\(9000s\)](#) | [Search](#) |

NASA Policy Directive

NPD 9250.1AEffective Date: October 08, 2010
Expiration Date: October 08, 2024**COMPLIANCE IS MANDATORY FOR NASA EMPLOYEES**[Printable Format \(PDF\)](#)**Subject: Capital Asset Identification and Treatment (Revalidated on March 13, 2019)****Responsible Office: Office of the Chief Financial Officer**

Change Log

Change	Description/Comments
1	Administrative updates were made to remove the capitalization threshold amount, criteria for capitalizing individual items of property, plant and equipment, as well as to bring the directive into compliance with NPR 1400.1, NASA Directives and Charters Procedural Requirements.
2	Administrative updates were made to update one of the reference documents and bring the directive into compliance with NPR 1400.1, NASA Directives and Charters Procedural Requirements.

1. POLICY

a. This NASA Policy Directive (NPD) establishes NASA policy for property, plant, and equipment (PP&E). This directive provides policy for (1) identifying acquisitions, fabrications, or modifications of PP&E that meet the criteria for capitalization and; (2) segregating the costs of general PP&E from other project costs for identifying and tracking the value so that PP&E can be properly recorded on NASA's financial statements. The scope of this NPD includes PP&E acquired or modified by purchase, construction, fabrication, transfer, or trade-in/exchange. This NPD describes the policy and individual roles and responsibilities for identifying PP&E that meet the capitalization criteria, establishing unique work breakdown structure (WBS) elements to accumulate the PP&E costs and reporting costs associated with the PP&E.

b. NASA uses the Capitalization Determination Form (CDF) (NASA Form 1739) as the method supporting PP&E capitalization determinations. NPR 9250.1 contains the criteria for capitalizing PP&E and is applicable to new acquisitions, fabrications, or modifications that meet the applicable capitalization threshold.

2. APPLICABILITY

a. This NPD is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

b. The unique WBS element requirement is not applicable to contracts awarded prior to October 1, 2007; however, the requirement is applicable to new work negotiated in modifications to existing contracts, unless a written waiver is received from the Agency Director of Financial Management.

c. In this directive, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms: "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended, but not required, "will" denotes expected outcome, and "are/is" denotes descriptive material.

d. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

3. AUTHORITY

- a. Authority and functions of agency Chief Financial Officers, 31 U.S.C. § 901.
- b. Financial statements of agencies, 31 U.S.C. § 3515.
- c. The National Aeronautics and Space Act, as amended, 51 U.S.C. § 20101 et seq.
- d. NPD 1000.3, The NASA Organization.
- e. NPD 9010.2, Financial Management.

4. APPLICABLE DOCUMENTS AND FORMS

NASA Procedural Requirements (NPR) 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.

NASA Form 1739, Capitalization Determination.

5. RESPONSIBILITY

- a. The Office of the Chief Financial Officer shall develop and maintain policies, procedures, and financial systems that collect, accumulate, and report the cost of NASA's capital PP&E.
- b. The Center Chief Financial Officer shall make the capitalization determination for each item identified on the NASA Form 1739.
- c. Management officials who manage NASA's program, projects, and operations shall complete NASA Form 1739s for all PP&E acquisitions, fabrications, or improvements that meet applicable capitalization threshold. This responsibility includes the management chain from Associate Administrators, Center Directors, Program Managers, and other line management officials.
- d. Management officials who manage NASA's program, projects, and operations shall establish unique WBS elements with capital asset indicators for each capital asset identified on the NASA Form 1739s. This will allow for the separate identification, funding, and accumulation of capital costs associated with the capital acquisition, fabrication, or modification.
- e. The Office of Procurement shall ensure that solicitations and contracts require contractors to obtain necessary approvals prior to the purchase and/or fabrication of PP&E and include the reporting requirements in solicitations and contracts to support the reporting of capital PP&E.
- f. The Office of Procurement shall ensure that the appropriate solicitation instructions, provisions, contract clause, and reporting requirements are included in solicitations and contracts where Government property will be acquired or fabricated under the contract or have a possibility of being acquired under the contract.
- g. The Office of Procurement shall support the cognizant financial management and project management personnel in separately identifying each capital asset by creating a separate reporting category where cost reporting is required (NFS Subpart 1842.72 and NPR 9501.2) and by creating a separately identified contract line item where cost reporting is not required.

6. DELEGATION OF AUTHORITY

None.

7. MEASUREMENT/VERIFICATION

Quality control reviews and analysis of financial and budgetary reports and data submitted through the continuous monitoring program will be used to measure compliance with this NPD.

8. CANCELLATION

NPD 9250.1, Identifying Capital Assets and Accumulation of Cost dated December 23, 2008.

Revalidated March 13, 2019, Original signed by

**/s/ Charles F. Bolden, Jr.
Administrator**

ATTACHMENT A: REFERENCES

A.1 The Federal Financial Management Improvement Act (FEMIA) of 1996, Public Law 104-208 at 110 Stat. 3009-389, also see 31 U.S.C. 3512, note.

A.2 Federal Acquisition Regulations (FAR), 48 Code of Federal Regulations (CFR), Chapter 1.

A.3 NASA FAR Supplement (NFS), 48 CFR, Chapter 18.

A.4 Office of Management and Budget (OMB) Circular No. A-123, Management's Responsibility for Internal Control.

A.5 OMB Circular No. A-127, Financial Management Systems.

A.6 OMB Circular No. A-136, Financial Reporting Requirements.

A.7 NPD 1200.1, NASA Internal Control.

A.8 NPD 9501.1, NASA Contractor Financial Management Reporting System.

A.9 NASA Procedural Requirements (NPR) 7120.5, NASA Space Flight Program and Project Management Requirements.

A.10 NPR 7120.7, NASA Information Technology and Institutional Infrastructure Program and Project Management Requirements.

A.11 NPR 7120.8, NASA Research and Technology Program and Project Management Requirements.

A.12 NPR 7123.1, NASA Systems Engineering Processes and Requirements.

A.13 NPR 7150.2, NASA Software Engineering Requirements.

A.14 NPR 9501.2, NASA Contractor Financial Management Reporting.

A.15 NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.

A.16 NPR 9060.1, Cost Accruals.

A.17 Statement of Federal Financial Accounting Standards (SFFAS) No. 6, Accounting for Property, Plant, and Equipment.

A.18 SFFAS No. 10, Accounting for Internal Use Software.

A.19 SFFAS No. 50, Establishing Opening Balances for General Property, Plant, and Equipment: Amending SFFAS 6, 10, and 23, and Rescinding SFFAS 35.

A.20 Accounting Standards Codification (ASC) 730, Research and Development.

A.21 Federal Accounting Standards Advisory Board, Statement of Federal Financial Accounting Technical Release 7, Clarification of Standards Related to the National Aeronautics and Space Administration's Space Exploration Equipment.

DISTRIBUTION: NODIS

This document does not bind the public, except as authorized by law or as incorporated into a contract. This

document is uncontrolled when printed. Check the NASA Online Directives Information System (NODIS) Library to verify that this is the correct version before use: <https://nodis3.gsfc.nasa.gov>.
